



Impact of Brand Loyalty in Rural Markets (With Special Reference to Select Fast Moving Consumer Goods -FMCG)

Nagaraju Kolla

Research Scholar, Sri Krishna Devaraya Institute of Management, Sri Krishna Devaraya University, Anantapur-A.P

Prof.B.Krishna Reddy

M.com, M.Ed., Ph.D, Sri Krishna Devaraya Institute of Management, Sri Krishna Devaraya University, Anantapur-A.P

ABSTRACT

In the modern marketing environment consumers are becoming more and more demanding hence, the market is glutted with endless products and countless brands and offering them rich choices. Because of these endless products and countless brands organizations getting disaster in the competition. All organizations are following a single mantra from escaping this disaster i.e. loyalty in other words making the customer commit to a particular brand

The main aim of the article is to analyze the factors influencing brand selection among rural customers, to evaluate the pre purchase expectations and to compare with post purchase performance and to assess the brand loyalty of rural customers towards FMCG. For this a sample of 799 have been taken through multistage convenience sampling by covering villages of Anantapur, Kurnool, Kadapa and Chittoor of Rayalaseema. Collected data analyzed by SPSS-21.0 through frequency tables, mean, reliability analysis, regression analysis, correlation analysis and factor analysis.

KEYWORDS : Brand loyalty, Correlation Analysis, Factor Analysis, Multistage convenience sampling, Regression Analysis, Reliability Analysis

INTRODUCTION

Brand loyalty is a consumer's preference to buy a particular brand in a product category. It occurs because consumers perceive that the brand offers the right product features, images or level of quality at the right price. This perception becomes the foundation for a new buying habit. Basically, consumers initially will make a trial purchase of the brand and, after satisfaction, tend to form habits and continue purchasing the same brand because the product is safe and familiar.

Brand loyalists have the following mindset:

"I am committed to this brand."

"I am willing to pay a higher price for this brand over other brands."

"Will recommend this brand to others"

Fast Moving Consumer Goods (FMCG) goods are popularly named as consumer packaged goods. Items in this category include all consumables (other than groceries/pulses) people buy at regular intervals. The most common in the list are toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff, and household accessories and extends to certain electronic goods. These items are meant for daily or frequent consumption and have a high return. Rayalaseema is a geographic region in the state of Andhra Pradesh in India. It includes the southern districts of Anantapur, Chittoor, Kadapa and Kurnool. It has an area of 67,299 km², which is 42.00% of total state area, and a population of 15,174,908 (2011 census), which is 30.03% of the state population.

Mandar Naresh Dhumal et al (2008) on their research "Rural Marketing-Understanding Consumer Behaviour and decision Process" concluded that social institutions influence rural consumer decision making. Suresh Lal et al (2008) studied about spending patterns of rural women consumers on cosmetic products and found that women consumers try to buy popular brand cosmetics in spite of less income. Manjunatha (2004) on his article "Rural Marketing-Prospects" revealed that urban markets are saturated, so marketers should give importance to rural markets. The study also revealed that rural markets are growing at about five times than urban market. Kumar Arul and C. Madhavi (2006) on their article "Rural Marketing for FMCG," studied rural market and concluded that rural consumers are quality conscious.

OBJECTIVES OF THE STUDY

(i) To analyze the factors influencing brand selection among rural

customers

- (ii) To evaluate the pre purchase expectations and post purchase performance
- (iii) To assess the brand loyalty of rural customers towards FMCG

METHODOLOGY OF STUDY

Sampling Method : Multi stage convenience sampling

Sample Size : 799

Primary Data : Questionnaire.

Secondary Data : Journals, Magazines, Books, Websites.

Data analysis : Frequency tables, Mean, Correlation Analysis, Factor Analysis,

Regression Analysis, Reliability Analysis Demographics of the respondents

Table-1 Demographics of the respondents

Village	Total Population	Respondents Percentage in total population	No. of respondents
Kurnool			
Kotekal	5808	1	59
Kadimetla	7108	1	72
Pedda Harivanam	6622	1	67
Pedda Thumbalam	7142	1	72
Anantapur			
Kirikera	9021	1	91
Chowlur	5374	1	54
Nakkanadoddi	2790	1	28
Obulapuram	1401	1	15
Kadapa			
Kamanur	4115	1	42
Peddasettipalle	5106	1	52
Madhavaram	5468	1	55
Sibyala	4300	1	44
Chittoor			
Challapalem	1409	1	15

Eguvaveedhi	2127	1	22
Malepadu	3112	1	32
Kothavaripalle	7835	1	79
Total Sample size			799

Source: <http://www.citypopulationindia.com/andhrapradesh/chittoor/srikalahasti/ammacheruvu>

	Frequency	Percentage
Gender		
Male	327	40.92
Female	472	59.07
Income		
1,00,000 less	230	28.7
1,00,000-2,00,000	301	37.6
2,00,000-3,00,000	126	15.7
3,00,000 and Above	140	17.5
Education		
Intermediate up to	347	43.4
Under Graduation	374	46.8
Post Graduation and above	78	9.7
Marital Status		
Married	638	79.8
Unmarried	161	20.1
Family Type		
Nuclear Family	493	61.7
Join Family	306	38.2
Family Size		
1-3 Members	196	24.5
3-4 Members	248	31.0
4-5 Members	213	26.6
5 And above	142	17.7
Occupation		
Agriculture	493	61.7
Business	180	22.5
Govt/Private job	126	15.7
Age		
20 and below	286	35.7
20-30	341	42.6
30-40	108	13.5
40 and above	64	8.0

Source: Field Survey

FMCG Brand Selection Factor:

Table-2 Brand Selection Factor of Tooth Paste and Hair Oil

Brand Selection Factor	Weighted Average value	Final rank	Weighted Average value		Final rank
			Tooth Paste	Hair Oil	
Advertisement	7582	I	7134	VII	
Price	7490	II	7486	II	
Size	7342	III	7439	IV	
Brand name	7320	IV	7698	I	
Specific benefit	7248	V	7103	VIII	
Product quality	7212	VI	6933	X	
Opinion Leaders	7135	VII	7392	III	
Availability	7126	VIII	7184	VI	
Discounts/Offers /Free gifts	7045	IX	7302	V	
Packaging	7011	X	6950	IX	
Retailers	6571	XI	6855	XI	
Look/Appearance	6565	XII	6514	XIII	
POP	6519	XIII	6617	XII	

Source: Field Survey

From the table -2 It can be observed that ,advertisement is the most important factor of tooth paste brand selection, followed by price, size, brand name, specific benefit, product quality, opinion leaders, availability, discounts/offers /free gifts, packaging, retailers, look/appearance and point purchase promotions .

It can also be seen that brand name is the most important factor of hair oil brand selection, followed by price, size, opinion leader, discount/offers/free gift, availability, advertisement, specific benefit, packaging, product quality, retailer, pop and look/appearance.

Pre purchase expectations and post purchase performance

Table-3 Pre purchase expectations and post purchase performance of Tooth Paste and Hair Oil

	Maximum Gap	Minimum Gap
Tooth Paste	Size	Look/Appearance
Hair Oil	Specific Benefit	Look/Appearance

Source: Field Survey

From table-3 it can be inferred that in tooth paste maximum gap is in size and minimum gap is in look/appearance and in hair oil specific benefit and look/appearance respectively.

Rural FMCG Brand Loyalty

Research results on a brand loyalty study conducted by Schijns identify the five major precursors of brand loyalty namely Overall customer satisfaction, Trust, Perceived switching costs, Reputation and Relationship proneness. For the present study same factors have been employed

Table-4 Rural FMCG Brand Loyalty

	Dimension	Factor Analysis	Reliability Test (Cronbach's Alpha)	Regression (R Square)	Correlation between Similar Factors Tooth paste and Hair Oil
Perceived switching costs	Extracted one factor	.825	57.0	.934	
Reputation	Extracted one factor	.811	50.0	.924	
Relationship Proneness	Extracted one factor	.702	53.0	.901	
Trust	Extracted one factor	.732	51.0	.933	
Hair Oil	Dimension	Factor Analysis	Reliability Test (Cronbach's Alpha)	Regression (R Square)	
	Overall Customer satisfaction	Extracted one factor	.700	56.0	
	Perceived switching costs	Extracted one factor	.813	54.0	
	Reputation	Extracted one factor	.842	52.0	
	Relationship Proneness	Extracted one factor	.711	51.0	
	Trust	Extracted one factor	.746	53.0	

Source: Field Survey

From table-4 it can be seen that single factor in factor analysis, reliability >.70 and R square >50.0%. Correlation between the factors are >.90. Above analysis confirm rural FMCG brand loyalty factors as

overall customer satisfaction, perceived switching costs, reputation, relationship proneness and trust

CONCLUSION

It conclude that ,advertisement is the most important factor of tooth paste brand selection, followed by price, size, brand name, specific benefit, product quality, opinion leaders, availability, discounts/offers /free gifts, packaging, retailers, look/appearance and point purchase promotions .It can also conclude that brand name is the most important factor of hair oil brand selection, followed by price, size, opinion leader, discount/offers/free gift, availability, advertisement, specific benefit, packaging, product quality, retailer, pop and look/appearance. In tooth paste maximum gap is in size and minimum gap is in look/appearance and in hair oil specific benefit and look/appearance respectively.

The study also confirm rural FMCG brand loyalty factors as overall customer satisfaction, perceived switching costs, reputation, relationship proneness and trust

SCOPE OF THE STUDY

Anantapur, Chittoor, Kadapa and Kurnool Districts in Rayalaseema Region of A.P. is selected for the study. The scope of the study refers only to rural FMCG customers of toothpaste and hair oil in Rayalaseema of four districts. Hence, findings can't be universalized

LIMITATIONS OF THE STUDY

In a study of this magnitude though meticulous care has taken in each and every aspect of study, certain limitations are likely to be there in the study.

1. Some respondents were hesitant in providing information
2. There might be a sense of bias crept in answers given by the respondents.
3. The findings cannot be generalized as the study is confined only to some villages of Rayalaseema
4. The sample size is restricted to 799 it may not be representative of the universe.

REFERENCES

1. Schijns, J.M.C. 1999. Loyalty and Customer Satisfaction: Two In One? *Bedrijfskunde*, 8(2):303-31 | 2. Kumar Arul, C. Madhavi (2006), "Rural Marketing for FMCG," *Indian Journal of Marketing*, New Delhi, Volume: XXXVI, No.4 (April), p21-23 | 3. Manjunatha" *Rural Marketing-Prospects"* *Indian Journal of Marketing*, New Delhi, Vol.XXXIV, No.6 Jun-2004,pp.24-25 | 4. <http://www.cii.in/Sectors.aspx?enc=prvePUj2bdMtgTmvPwvisY-H+5EnGjyGXO9hLEcYtUNvWUH5MWzEuAiG8dfH+/Z7F> | 5. <https://www.extension.iastate.edu/agdm/wholefarm/html/c5-54.html> | 6. <http://en.wikipedia.org/wiki/Royalaseema> | 7. Mandar Naresh Dhumal et al (2008),"Rural Marketing-Understanding Consumer Behaviour and decision Process",Conference IIMK,3-5 April,pp 183-195 | 8. Dr.B.Suresh Lal , N.V.Sreeranga Prasad, G.Kavita "Spending pattern on cosmetic products in rural areas: A case study" *The Economic Challenger*, No-10, Issue-38, Jan-Mar-2008 Ajmer |